

Message Text

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21

ORIGIN EB-07

INFO OCT-01 ISO-00 AF-06 ARA-10 EA-09 EUR-12 NEA-10 IO-10

FEA-01 AGR-10 CEA-01 CIAE-00 COME-00 DODE-00 FRB-01

H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-02

AID-05 CIEP-02 SS-15 STR-04 TAR-01 TRSE-00 USIA-15

PRS-01 SP-02 OMB-01 XMB-04 OFA-01 OES-05 /162 R

DRAFTED BY EB/OT/STA:WTDIROLL:JH

APPROVED BY EB/OT/STA:WCLARK, JR.

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R 251446Z NOV 75

FM SECSTATE WASHDC

TO AMEMBASSY MEXICO

AMEMBASSY NEW DELHI

AMEMBASSY GUATEMALA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY PANAMA

AMEMBASSY PORT OF SPAIN

AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY GEORGETOWN

AMEMBASSY QUITO

AMEMBASSY BRASILIA

AMEMBASSY TEHRAN

AMEMBASSY KUWAIT

AMEMBASSY ISLAMABAD

AMCONSUL HONG KONG

AMEMBASSY SINGAPORE

AMEMBASSY KUALA LUMPUR

AMEMBASSY JAKARTA

USLO PEKING

AMEMBASSY BANGKOK

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AMEMBASSY TOKYO

AMEMBASSY CANBERRA
INFO USMISSION OECD PARIS
USMISSION EC BRUSSELS
USDEL MTN GENEVA
AMCONSUL CASABLANCA
AMEMBASSY COPENHAGEN
AMEMBASSY OSLO
USMISSION GENEVA

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E.O. 11652: N/A

TAGS:ETRD,MX, IN, GT, ES, NU, HO,AF, PN, TD, CH, CO, CS

SUBJECT: INITIATION OF ESCAPE CLAUSE PROCEEDING ON SHRIMP

1. FOLLOWING FOR POSTS' INFORMATION AND GUIDANCE IN EVENT MATTER RAISED BY FOREIGN GOVERNMENTS OR COMMERICAL INTERESTS: THE INTERNATIONAL TRADE COMMISSION, (ITC) EXPECTED TO ANNOUNCE IN NEAR FUTURE THE INSTITUTION OF AN INVESTIGATION UNDER TITLE II OF THE TRADE ACT OF 1974 TO DETERMINE WHETHER SHRIMP IS BEING IMPORTED INTO THE U.S. IN SUCH INCREASED QUANTITIES AS TO BE A SUBSTANTIAL CAUSE OF SERIOUS INJURY, OR THE THREAT THEREOF, TO THE DOMESTIC INDUSTRY PRODUCING ARTICLES LIKE OR DIRECTLY COMPETITIVE WITH THE IMPORTED ARTICLES. FOR PURPOSES OF INVESTIGATION, THE TERM "SHRIMP" IS EXPECTED TO INCLUDE IMPORTS IN THE FRESH, CHILLED, FROZEN, PREPARED OR PRESERVED, SHELL ON AND PEELED FORMS, ALL OF WHICH ARE CLASSIFIED FOR CUSTOMS PURPOSES AS "OTHER SHELLFISH" UNDER ITEM 114.45 OF THE TARIFF SCHEDULES OF THE U.S. AND ENTER DUTY FREE.

2. INITIATION OF SUCH AN INVESTIGATION HAS BEEN REQUESTED BY THE NATIONAL SHRIMP CONGRESS ON BEHALF OF SEVERAL REGIONAL AND STATE PRODUCER ORGANIZATIONS, TOGETHER WITH SOME UNASSOCIATED INDIVIDUAL PRODUCERS, OPERATING ALONG SOUTHEASTERN ATLANTIC AND GULF COASTS. IN AGGREGATE, THEY

ACCOUNT FOR MORE THAN 50 PERCENT OF VOLUME OF DOMESTIC
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SHRIMP LANDINGS. IN MAKING REQUEST PETITIONERS STATED THEY "HAVE SUFFERED SERIOUS INJURY AS A RESULT OF RADICALLY FLUCTUATING IMPORTS FROM A LARGE NUMBER OF COUNTRIES ESPECIALLY DURING THE LATTER PART OF 1973 AND EARLY 1974. TREMENDOUS QUANTITIES OF FOREIGN SHRIMP, WITHOUT ANY RESTRAINT OR CONTROL, FLOODED THE UNITED STATES MARKET AT THE PEAK OF THE UNITED STATES FUEL CRISIS. THESE IMPORTS WERE A SUBSTANTIAL CAUSE OF VAST

NUMBERS OF SHRIMP PRODUCERS BEING DRAWN TO THE BRINK OF BANKRUPTCY ... (OR) FORCED OUT OF BUSINESS.

3. PETITIONERS ARE SEEKING A TWO PART REMEDY WHICH WOULD INCLUDE INSTITUTION OF COUNTRY QUOTAS BASED ON EACH SUPPLIER'S AVERAGE ANNUAL SHIPMENTS DURING THREE YEAR PERIOD ENDING DECEMBER 31, 1973 AND IMPOSITION OF A 5.5 PERCENT AD VALOREM DUTY TO FUND A RESEARCH AND MARKET DEVELOPMENT PROGRAM.

4. U.S. CONSUMPTION OF SHRIMP IN THREE YEAR PERIOD ' MENTIONED BY PETITIONERS AVERAGED 400 MILLION POUNDS ANNUALLY, OF WHICH 232 MILLION WAS SUPPLIED BY IMPORTS. IN 1974 IMPORTS WERE 271 MILLION. MEXICO, INDIA, PANAMA, VENEZUELA, COLOMBIA, NICARAGUA AND INDONESIA WERE MAJOR SUPPLYING COUNTRIES.

5. INITIATION OF SUCH AN INVESTIGATION WOULD NOT AUTOMATICALLY IMPLY THAT USG IS CONTEMPLATING MEASURES THAT MIGHT ADVERSELY AFFECT SHIPMENTS FROM SUPPLYING COUNTRIES A FINDING OF SERIOUS INJURY OR THREAT THEREOF MUST BE MADE BY THE ITC BEFORE THE IMPOSITION OF IMPORT RELIEF MEASURES IS WARRANTED UNDER THE TRADE ACT. THE COMMISSION, AN INDEPENDENT FACT-FINDING AGENCY, HAS SIX MONTHS TO DETERMINE THE EFFECTS OF IMPORTS AND OTHER RELEVANT FACTORS AND DURING WHICH VIEWS OF INTERESTED PARTIES, INCLUDING THOSE REPRESENTING FOREIGN EXPORTERS MAY BE PRESENTED.

6. IF COMMISSION FINDS THAT INCREASED IMPORTS OF SHRIMP ARE NOT CAUSING OR THREATENING SERIOUS INJURY THE CONDITIONS IMPOSED BY SECTION 201 FOR PROVIDING IMPORT RELIEF WOULD NOT HAVE BEEN SATISFIED AND THEREFORE THE UNCLASSIFIED

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PRESENT UNRESTRICTED DUTY FREE ENTRY OF SHRIMP WOULD NOT BE MODIFIED. ON OTHER HAND, IF COMMISSION MAKES AN AFFIRMATIVE DETERMINATION, THE PRESIDENT MAY IMPOSE A TARIFF OR QUOTAS, OR NEGOTIATE ORDERLY MARKETING AGREEMENTS WITH EXPORTING COUNTRIES TO REMEDY SITUATION. HE MAY ALSO PROVIDE ADJUSTMENT ASSISTANCE EITHER SEPARATELY OR IN CONJUNCTION WITH IMPORT RELIEF MEASURES.

THE PRESIDENT WOULD HAVE 60 DAYS FROM THE DATE OF THE COMMISSION'S REPORT TO DETERMINE THE TYPE OF REMEDIAL ACTION THAT MIGHT BE REQUIRED. ANY RELIEF PROVIDED WOULD BE OF LIMITED DURATION TO ENABLE THE U.S. INDUSTRY TO MAKE ADJUSTMENTS.

7. IN CASE OF AN AFFIRMATIVE COMMISSION DETERMINATION,

THE USG WOULD, IN ACCORD WITH LONG STANDING PROCEDURES, PROVIDE INTERESTED GOVERNMENTS AN OPPORTUNITY FOR CONSULTATIONS IN ADVANCE OF ANY PRESIDENTIAL ACTION. THESE PROCEDURES DO NOT, OF COURSE, PRECLUDE THE SUBMISSION OF INTERESTED EXPORTING COUNTRY VIEWS WHILE THE COMMISSION'S FACT FINDING INQUIRY WOULD BE IN PROGRESS.

8. A COPY OF PETITION WILL BE FORWARDED TO MISSION ASAP.

9. WE INTEND TO KEEP POSTS ADVISED OF SIGNIFICANT DEVELOPMENTS, INCLUDING PUBLIC HEARING DATES, SO THAT FULL USE MAY BE MADE OF ALL OPPORTUNITIES TO PRESENT VIEWS..

10. ACTION ADDRESSEE POSTS ARE INTRODUCING COUNTRIES WHICH HAVE BEEN IDENTIFIED BY THE PETITIONERS AS SOURCES OF ' SHRIMP IMPORTS. INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SHELLFISH, IMPORTS, INVESTIGATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE278513
Document Source: CORE
Document Unique ID: 00
Drafter: WTDIROLL:JH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750411-0449
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751115/aaaaamtq.tel
Line Count: 185
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 02 DEC 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 DEC 2003 by chicheje>; APPROVED <27 JAN 2004 by izenbei0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INITIATION OF ESCAPE CLAUSE PROCEEDING ON SHRIMP
TAGS: ETRD, MX, IN, GT, ES, NU, HO, AF, PN, TD, CH, CO, CS, INTERNATIONAL TRADE COMMISSION, ITC
To: MEXICO MULTIPLE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006